



Talking Points

Impact of the Economy on the Nursing Shortage

The current downturn in the U.S. economy has led to an easing of the nursing shortage in some parts of the country. Though the nursing workforce is showing signs of stabilizing, workforce analysts caution nurse educators, policymakers, employers, and other stakeholders from calling this the end of the nursing shortage. AACN developed these talking points to help explain how the ailing economy is impacting the supply of registered nurses (RNs), share the latest projections on the need for nurses, and offer advice that can be shared with new nursing graduates seeking positions during this time.

Short-Term Easing of the Nursing Shortage

- In an article published in the July/August 2009 issue of *Health Affairs*, Dr. Peter Buerhaus and colleagues confirmed that the economic recession has led to a temporary easing of the nursing shortage in some parts of the country, even though the shortfall in the number of nurses needed is expected to grow to 260,000 by the year 2025. In the near-term many hospitals will report an end to the shortage, and new nursing graduates may experience difficulty finding jobs, but these workforce analysts caution that a significant nursing shortage still looms.
- In the November 26, 2008 issue of the *Journal of the American Medical Association (JAMA)*, nursing workforce analyst Dr. Peter Buerhaus points to many factors contributing to the current stabilization of the nursing workforce, including:
 - The economy is bringing many retired nurses back into the workforce.
 - Nurses who had planned to retire are holding on to their positions.
 - Some nurses who were working part-time have taken full-time positions. Others are working extra shifts to provide more financial support for their families, particularly in situations where a spouse has been laid off.
- The American Hospital Association reported in November 2008 that hospitals are treating fewer patients because many people are delaying procedures or not seeking care due to a loss of insurance and the high cost of health care. The trend toward delaying care was confirmed by the Kaiser Family Foundation in February 2009.
- Hospitals are also feeling the impact of the economy, which has led to a few closings, some downsizings, and hiring freezes. All of these developments result in more RNs seeking employment.

Current and Projected Need for Nurses

- On October 2, 2009, the U.S. Bureau of Labor Statistics (BLS) reported that the healthcare sector of the economy is continuing to grow, despite significant job losses in nearly all major industries. Hospitals, long-term care facilities, and other ambulatory care settings added 19,000 new jobs in September 2009, a month when 263,000 jobs were eliminated across the country. As the largest segment of the healthcare workforce, RNs likely will be recruited to fill many of these new positions. The BLS confirmed that 559,000 jobs have been added in the healthcare sector since the recession began.

- Changes in the employment patterns of current RNs (e.g. delaying retirement, working longer hours) are not adding nurses into the workforce to fill new positions that are being created for RNs. Analysts with the Bureau of Labor Statistics project that more than 587,000 new RN positions will be created through 2016.
- In an article published in CNNMoney.com on February 27, 2009, the CEOs of two of the nation's largest healthcare systems - Tenet Healthcare and HCA, Inc. – confirmed the strong need for more RNs even as hospitals are reducing their use of nursing staffing companies. Tenet's CEO said: "Anyone with a nursing degree in this country does not have to worry about having a job."
- For the latest reports and data on the nursing shortage, see AACN's fact sheet posted online at <http://www.aacn.nche.edu/Media/FactSheets/NursingShortage.htm>.

Advice for New Nursing Graduates

- AACN is hearing anecdotal reports that new graduates in some parts of the country are having to look harder to locate their first position in nursing. Students nearing completion of their programs should begin their job search early so they can transition smoothly into practice after graduation. While still in school, students can look for internships and externships that may lead to future employment.
- RN positions are still available across the country, and new nurses may want to consider broadening their job search across state lines. New graduates should also look for positions outside of hospitals since almost half of all RNs now work in other settings, including community health, ambulatory care, nursing homes, schools, and businesses.
- New nurse graduates should be encouraged to advance their education to the doctoral or master's level to meet the need for nurses to fill specialty roles and faculty positions:
 - Opportunities are increasing for graduate-prepared nurses in the area of primary care. According to a survey published in *JAMA* in September 2008, only 2% of fourth-year medical students plan to work in primary care after graduation, despite the need for a 40% increase in the number of primary care physicians in the U.S. by 2020. The Bureau of Labor Statistics reported in November 2007 that the employment outlook for advanced practice nurses as lower-cost, primary care providers is strong.
 - The need for nurse educators has been well-documented, and available teaching positions exist across the country. For the latest details about the Nurse Faculty Shortage, see <http://www.aacn.nche.edu/Media/FactSheets/FacultyShortage.htm>.
 - New graduates should be encouraged to pursue advanced education in areas of growing demand (e.g. geriatrics) as well as areas of emerging areas of practice (e.g. informatics, genetics, advanced generalist roles).

Last Update: October 5, 2009